

SENATE BILL NO. 255—COMMITTEE ON COMMERCE AND LABOR

MARCH 22, 2005

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing acquisition of branches of certain financial institutions. (BDR 55-1229)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to financial institutions; revising the provisions governing the acquisition of a branch of a Nevada depository institution by certain out-of-state depository institutions and holding companies; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law authorizes the Commissioner of Financial Institutions to regulate depository institutions operating in Nevada. (Titles 55 and 56 of NRS) Those depository institutions include banks, savings and loan associations, savings banks, thrift companies, credit unions and other financial institutions. (NRS 657.037) Existing law generally prohibits an out-of-state depository institution without a branch in Nevada from acquiring an existing branch in Nevada, unless the out-of-state depository institution merges with or acquires the Nevada depository institution that owns the branch. However, existing law contains an exception that allows an out-of-state depository institution to acquire an existing branch in Nevada if the branch is located in a county with a population of less than 100,000 (currently counties other than Clark and Washoe Counties). (NRS 666.410)

This bill creates another exception that applies to an out-of-state depository institution which is owned or controlled by an organization that is both a bank holding company and a labor, agricultural or horticultural organization exempt from certain provisions of the federal Bank Holding Company Act of 1956. If the out-of-state depository institution qualifies for the exception created by this bill, it may acquire an existing branch in any county in Nevada without merging with or acquiring the Nevada depository institution that owns the branch.



THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 666.410 is hereby amended to read as follows:
2 666.410 An out-of-state depository institution without a branch
3 in Nevada ~~H~~ or an out-of-state holding company without a
4 depository institution in Nevada may not establish a de novo branch
5 in this State or acquire, through merger or otherwise, a branch of a
6 depository institution in Nevada without acquiring the institution
7 itself or its charter, except that, with the written approval of the
8 Commissioner ~~[-an]~~:

9 **1. An** out-of-state depository institution without a branch in
10 Nevada ~~H~~ or an out-of-state holding company without a depository
11 institution in Nevada may establish a branch office or acquire an
12 existing branch in a county whose population is less than 100,000
13 without acquiring or merging with a Nevada depository institution
14 or a Nevada holding company ~~H~~; **and**

15 **2. An out-of-state depository institution without a branch in**
16 **Nevada which is owned or controlled by a holding company that is**
17 **entitled to the exemption set forth in section 4(c)(i) of the Bank**
18 **Holding Company Act of 1956, as amended, 12 U.S.C. §**
19 **1843(c)(i), may acquire an existing branch in Nevada without**
20 **acquiring or merging with a Nevada depository institution or a**
21 **Nevada holding company.**

